News Release

WORLD ECONOMIC FORUM

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Leaders Upbeat About Europe ' s Prospects in the Wake of Tough Reform Agendas

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- It ' s time to turn lessons learned from the Eurozone crisis into opportunities
- Tough reforms are working, but the single market must be completed immediately
- It is possible to achieve growth, prosperity and competitiveness while maintaining Europe ' s core values
- The theme of the 43rd World Economic Forum Annual Meeting is Resilient Dynamism. For more information, visit http://wef.ch/Davos

Davos-Klosters, Switzerland, 24 January 2013 – It is time to turn the lessons learned from the " wake up call " of the Eurozone crisis into opportunities and " get the economic engine going " by capitalizing on Europe ' s strengths, according the leaders of four European member states. Speaking during the World Economic Forum ' s Annual Meeting, they agreed European leaders must follow through on decisions made at countless European Council meetings in Brussels and move immediately to complete the single market and conclude free trade agreements.

They were upbeat about Europe ' s prospects, while discussing how tough reforms are positioning their countries to achieve growth and tackle the burgeoning unemployment that is undermining prosperity and discouraging citizens. Tough reforms across the board include pension and tax reform, structural economic reforms, labour market flexibility, streamlined bureaucracies and deep budget cuts.

Ireland has been through a " hurricane " , acknowledged Enda Kenny, Taoiseach of Ireland. He noted that when his government came to power, 250,000 jobs had been lost, the country ' s reputation was in shreds, the banks were dysfunctional and the Irish people were awash with hopelessness, despair and disillusionment. Today, progress has been made. Interest rates have plummeted from 14% to 4%, the banks are back in the markets and more than 1,000 multinational corporations are driving exports in double-digit figures. " Our people have had to face very serious challenges. If a government works with its people… and [understands] the patience of people to put up with changes… results will flow, " Kenny said.

At the same time, the Irish people ' s faith in the EU is steadfast. In 2011, in the middle of the country ' s " crushing burden " of the crisis, they voted 60% to stay in the Eurozone in a referendum on the EU ' s Financial Stability Mechanism. " We ' ve been married to Europe for 40 years now… We have made our decision to be clearly linked to the Eurozone, " Kenny affirmed.

Italy ' s response to the pressures of the " financial emergency " is to inject more competition and openness in the markets. " This is totally in line with the EU ' s inspiration of a social market economy, " explained Mario Monti, Prime Minister of Italy. " We did this by securing the sustainability of public finances in the long term, including tough pension reform, and looking at the factors that drive growth. " Monti noted that no country in Europe can keep or resume growth unless EU policies are oriented towards growth. " We have been pushing at the European Council for a growth pact and insisting daily that the single market be taken more seriously, " he said.

Measures to tackle Italy ' s unemployment crisis include tax incentives for companies that hire young people and laying the foundation for labour market reform, although recently the unions have an agreement on productivity and centralization of labour negotiations.

Helle Thorning-Schmidt, Prime Minister of Denmark, said her government is in a " reform frenzy ". Thorning-Schmidt said Europeans " woke up realizing we had lost our competitive edge ", welfare states were unmanageable and what was so good about Europe was lost. " We need to change in a structural way to maintain what we like so much about Europe, while maintaining what makes Europe special – our social market economy, our focus on the environment and climate issues, our democracy, human rights and equality. In the coming years, we need to change but keep our core values, " she said. " [It ' s time] to recognize where we are frontrunners and use this to give us a competitive advantage globally. We need to move on the practical issues right now. "

The Dutch reform programme is based on running a tight ship and implementing tough reforms. " [Now] we need to get the economic engine going, " said Mark Rutte, Prime Minister and Minister of General Affairs of the Netherlands. The government has convened a multistakeholder group of players to determine how to exploit the country ' s strong sectors, particularly agriculture, ICT and finance. " If [European leaders] would implement everything they have previously agreed to, we would have 4% more GDP in the next 10 years. " Rutte said it is time for member states to implement reforms, exercise fiscal disciple and get public finances in order. " Our aim should be to have the whole Eurozone intact, " he said.

The single market is far from complete, particularly in the area of services, digital services and energy. Free trade agreements with Canada, Japan and Singapore must be pursued. Rutte declared it is " crazy " that an agreement with the United States is not already in place. " Europe and the US have a strong partnership, " he said. Kenny said that if the largest trading bloc on Earth, the EU, can set the roadmap for an agreement with the US, it will be a " big signal ".

The 43rd World Economic Forum Annual Meeting is taking place from 23 to 27 January under the theme **Resilient Dynamism**. More than 2,500 participants from over 100 countries are taking part in the Meeting. Participants include nearly 50 heads of state or government and more than 1,500 business leaders from the Forum ' s 1,000 Member companies, as well as Social Entrepreneurs, Global Shapers, Young Global Leaders and representatives from civil society, media, academia and the arts.

The co-chairs of Annual Meeting 2013 are: Frederico Curado, President and Chief Executive Officer, EMBRAER, Brazil; **Muhtar A. Kent**, Chairman of the Board and Chief Executive Officer, The Coca-Cola Company, USA; **Huguette Labelle**, Chair, Transparency International, Germany; Global Agenda Council on Responsible Mineral Resources Management; **Andrew N. Liveris**, Chairman and Chief Executive Officer, The Dow Chemical Company, USA; **Atsutoshi Nishida**, Chairman of the Board, Toshiba Corporation, Japan; and **Axel A. Weber**, Chairman of the Board of Directors, UBS, Switzerland

Notes to Editors

More information about the Annual Meeting 2013 is available at http://wef.ch/davos2013

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